

VETO—S. 1503

MESSAGE

FROM

THE PRESIDENT OF THE UNITED STATES

RETURNING

WITHOUT MY APPROVAL S. 1503, A BILL REQUIRING PROMULGATION OF STANDBY PETROLEUM ALLOCATION AND PRICE CONTROLS, INCLUDING SHARING OF CRUDE OIL AMONG REFINERS AT CONTROLLED PRICES



MARCH 22, 1982.—Ordered to be printed

U.S. GOVERNMENT PRINTING OFFICE

WASHINGTON : 1982

89-011 O

5310-1

To the Senate of the United States:

Although I appreciate the good faith efforts of the sponsors of this legislation, I am returning without my approval S. 1503, the "Standby Petroleum Allocation Act of 1982."

While I am sympathetic to the assertion that this bill responds to an understandable concern that our nation must prepare against the possible disruption of energy supplies, this legislation grew from an assumption, which has been demonstrated to be invalid, that giving the Federal Government the power to allocate and set prices will result in an equitable and orderly response to a supply interruption. We can all still recall that sincere efforts to allow bureaucratic allocation of fuel supplies actually harmed our citizens and economy, adding to inequity and turmoil. Further, the threat of such controls will discourage the very steps that are needed to provide real protection against such emergencies.

The Act would require the promulgation of standby petroleum allocation and price controls, including a specific program for the sharing of crude oil among refiners at controlled prices. Those controls could be imposed in the event of future petroleum supply shortages, subject to Congressional approval. The Act would also require the Federal Government to continue extensive and burdensome data collection even when the regulations were not in effect.

Today I have ample powers to take the steps necessary to protect national security, meet our treaty obligations and assure essential public health and safety functions. The supplies in the Strategic Petroleum Reserve and significant production in the National Petroleum Reserve also ensure that petroleum for truly essential needs will be available. What I do not have, do not want and do not need is general power to reimpose on all Americans another web of price controls and mandatory allocations.

We must recognize that an interruption of a significant portion of foreign energy supplies, whether because of armed strife, human choice or natural disaster, will involve real costs to the United States and the world. Proper preparation beforehand, and free trade among our citizens afterward, can mitigate these costs, but no magic federal plan can simply make them go away. Controls can only shift losses from one set of Americans to others, with vast dislocation and loss of efficiency along the way. This was very amply demonstrated during the supply interruptions of 1973-74 and 1978-79. Those interruptions precipitated much higher oil prices, but they did not cause gas lines and shortages. It took government to do that.

The bill could be counterproductive to our preparedness efforts. In the event of a supply interruption, the best protection will be stockpiling and plans for switching to less costly ways to achieve our goals. This bill would discourage self-protective measures, because it tells the public that those measures will be nullified by government allo-

cations and controls or that such measures are unnecessary because the government will guarantee them low-priced energy in the event of any disruption.

The current world oil situation, with declining prices and ample supplies, provides the best opportunity for future preparedness. This is why the Administration continues to add to the Strategic Petroleum Reserve as fast as permanent storage becomes available. By the end of this year we will have nearly tripled the size of the Reserve in two years. All citizens who are concerned about the possibility of shortages and higher prices in the future should use the current opportunity to prepare in ways that are appropriate to their situation.

This legislation does contain one important feature, which should be adopted immediately as a separate Act. Since 1974 the United States has participated with other countries in the International Energy Agency, in an effort to improve our effectiveness in combatting international energy problems. A coordinated response to any international oil supply disruption through the IEA requires cooperation by private American oil companies in ways that are not possible absent statutory authorization. This authorization, contained in Section 252 of the Energy Policy and Conservation Act, has been extended routinely since its enactment in 1975. The most recent extension expires on April 1st of this year. This authority should again be extended, and H.R. 5789 and S. 1937 are now pending in Congress for this purpose.

RONALD REAGAN.

THE WHITE HOUSE, *March 20, 1982.*

Ninety-seventh Congress of the United States of America

AT THE SECOND SESSION

*Begun and held at the City of Washington on Monday, the twenty-fifth day of January,
one thousand nine hundred and eighty-two*

An Act

To amend the Energy Policy and Conservation Act to authorize the President to allocate crude oil, residual oil, and other petroleum products in the event of a severe petroleum supply shortage, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE; TABLE OF CONTENTS

SECTION 1. This Act may be cited as the "Standby Petroleum Allocation Act of 1982".

TABLE OF CONTENTS

Sec. 1. Short title; table of contents.

Sec. 2. Amendment to the Energy Policy and Conservation Act.

"PART C—STANDBY PETROLEUM ALLOCATION

"Sec. 271. Congressional findings.

"Sec. 272. Purposes.

"Sec. 273. Definitions.

"Sec. 274. Promulgation of regulation.

"Sec. 275. Implementation of regulation.

"Sec. 276. Administration of regulation.

"Sec. 277. Crude-sharing program.

"Sec. 278. General limitations on authority.

"Sec. 279. Limitation on authority over certain inventories.

"Sec. 280. Preemption.

"Sec. 281. Contract liability.

"Sec. 282. Effect of prior law.

"Sec. 283. Enforcement and administration.

"Sec. 284. Information.

"Sec. 285. Coordination with other authorities.

"Sec. 286. Delegation of Presidential authorities.

"Sec. 287. Expiration."

Sec. 3. Impact study.

Sec. 4. Oil storage tax incentives study.

Sec. 5. International cooperation study.

Sec. 6. Extension of certain international energy program authorities.

AMENDMENT TO THE ENERGY POLICY AND CONSERVATION ACT

SEC. 2. (a) Title II of the Energy Policy and Conservation Act, relating to standby energy authorities, is amended by adding at the end thereof the following new part:

"PART C—STANDBY PETROLEUM ALLOCATION

"CONGRESSIONAL FINDINGS

"SEC. 271. The Congress finds that--

"(1) shortages of petroleum products caused by reductions in imports of petroleum products may occur at any time;

"(2) such shortages could be sufficiently large to cause severe economic dislocations and hardships within various segments

S. 1503—2

of the economy, both regional and national, and constitute a threat to the public health, safety, and welfare; and

"(3) the national security and economic well-being of the United States require that the President have authority, during a severe petroleum supply shortage, to allocate petroleum products so as to minimize adverse effects on the public health, safety, and welfare.

"PURPOSES

"SEC. 272. The purposes of this part are—

"(1) to grant to the President limited and temporary authority to allocate petroleum products, in his discretion, in the event of a severe petroleum supply shortage; and

"(2) to minimize the adverse impacts of such a shortage on the American people and the domestic economy.

"DEFINITIONS

"SEC. 273. For purposes of this part—

"(1) the term 'severe petroleum supply shortage' means a national or regional petroleum supply shortage which the President determines—

"(A) results, or is likely to result, from an interruption in petroleum product imports or from sabotage, accidents, or an act of God;

"(B) is, or is likely to be, of significant scope and duration;

"(C) may (i) cause a major adverse impact on the national security, the national economy, or the economy of any region of the United States, or (ii) threaten the public health, safety, and welfare; and

"(D) may not be reasonably manageable under other authorities available to the President or by reliance on free market pricing and allocation;

"(2) the term 'region' means any geographic area or areas within the United States comprising one or more States or political subdivisions thereof; and

"(3) in applying the definitions of 'State' and 'United States' in paragraphs (4) and (5) of section 3 of this Act, the term 'territory or possession' includes the Trust Territory of the Pacific Islands.

"PROMULGATION OF REGULATION

"SEC. 274. (a)(1) Not later than 180 days after the date of the enactment of this part, the President shall promulgate and transmit to the Congress a standby regulation which provides for the mandatory allocation (if implemented pursuant to this part) of petroleum products under this part.

"(2) In promulgating the standby regulation required under paragraph (1), the President shall, in addition to any other requirement of law—

"(A) provide for notice and opportunity for public hearings in various regions of the United States; and

"(B) provide for opportunity for participation by Executive departments of the Federal Government in the formulation of

S. 1503-3

the standby regulation and in the hearings provided under subparagraph (A), in a manner prescribed by the President.

"(3) Until the regulation required under paragraph (1) is transmitted to the Congress, the President shall prepare and transmit to the Congress a bimonthly status report indicating the progress taken towards the promulgation of the regulation.

"(b) Subject to the following requirements of this section, any regulation under this section may be amended by the President at any time after it is promulgated.

"(c)(1) The standby regulation required under subsection (a)(1), and any other regulation under the authority granted by this part, may include limitations on the price of any petroleum product only if the President finds that such limitations are necessary to ensure effective implementation of such regulation. Such limitations may include provisions restricting discriminatory pricing.

"(2) Any finding by the President under paragraph (1) shall not be subject to judicial review.

"(d) Subject to the implementation requirements of section 275, the standby regulation promulgated under subsection (a), and any amendment to such regulation (other than a technical or clerical amendment)—

"(1) shall be transmitted to the Congress; and

"(2) a period of 30 calendar days shall be permitted to elapse after such transmittal.

The 30-calendar-day requirement of paragraph (2) shall not apply while there is in effect a determination by the President of a severe petroleum supply shortage.

"IMPLEMENTATION OF REGULATION

"SEC. 275. (a)(1) If—

"(A) there is in effect a determination by the President of a severe petroleum supply shortage, and

"(B) notice of such determination, and of the President's intent to implement the regulation promulgated under section 274, and a copy of such regulation (including any amendment thereof), have been transmitted to the Congress in accordance with section 551, and neither House of Congress, in accordance with the procedures specified in section 551, has disapproved (or both Houses have approved) implementation of such regulation,

the President may implement such regulation, providing for the allocation of any petroleum product throughout the United States or in any region of the United States. Such regulation may apply to any petroleum product produced in or imported into the United States.

"(2) The Congressional review requirement of paragraph (1)(B) shall apply to any amendment to a regulation authorized to be implemented under paragraph (1) only if—

"(A) the amendment is promulgated during the implementation period permitted under subsection (b)(1),

"(B) the amendment is not a technical or clerical amendment, and

"(C) the amendment would expand the scope of the President's authority under such regulation by extending the application of the regulation (i) to one or more additional regions or categories of petroleum products, (ii) from only end-

S. 1503—4

user allocation to inclusion of a crude-sharing program, or (iii) from only a crude-sharing program to inclusion of end-user allocation.

"(b)(1) Any regulation implemented under this section may not remain in effect after the 90-day period which begins on the date on which the authority to implement any such regulation first becomes effective, except that the implementation authority for any such regulation may be extended by the President for up to 60 additional days, upon his express finding that—

"(A) the severe petroleum supply shortage continues in effect, and

"(B) such authority must be continued to meet the purposes of this part.

"(2) Thereafter, the authority of the President to implement any regulation under section 274 shall terminate, unless pursuant to subsection (a) the President makes a new determination and new transmittal to Congress which are not disapproved by the Congress under subsection (a)(1).

"(c) Should the President implement a program under section 274 for the allocation of residual fuel oil or any refined petroleum product, such program shall provide for a State set-aside of residual fuel oil or any refined petroleum product if such residual fuel oil or refined petroleum product is allocated in such State pursuant to the Federal program.

"ADMINISTRATION OF REGULATION

"Sec. 276. Administration of any regulation promulgated under section 274 shall, to the maximum extent practicable, provide for—

"(A) protection of public health (including the production of pharmaceuticals), safety and welfare (including maintenance of residential heating, such as individual homes, apartments and similar occupied dwelling units), and the national defense;

"(B) maintenance of all public services (including facilities and services provided by municipally, cooperatively, or investor owned utilities or by any State or local government or authority, and including transportation facilities and services which serve the public at large);

"(C) maintenance of agricultural operations, including farming, ranching, dairy, and fishing activities, and services directly related thereto;

"(D) preservation of an economically sound and competitive petroleum industry; including the priority needs to restore and foster competition in the producing, refining, distribution, marketing, and petrochemical sectors of such industry, and to preserve the competitive viability of independent refiners, small refiners, nonbranded independent marketers, and branded independent marketers;

"(E) the allocation of suitable types, grades, and quality of crude oil to refineries in the United States to permit such refineries to operate at full capacity;

"(F) equitable distribution of crude oil, residual fuel oil, and refined petroleum products at equitable prices among all regions and areas of the United States and sectors of the petroleum industry, including independent refiners, small refiners, nonbranded independent marketers, branded independent marketers, and among all users;

S. 1503-5

"(G) allocation of residual fuel oil and refined petroleum products in such amounts and in such manner as may be necessary for the maintenance of, exploration for, and production or extraction of—

"(i) fuels, and

"(ii) minerals essential to the requirements of the United States, and for required transportation related thereto;

"(H) economic efficiency; and

"(I) minimization of economic distortion, inflexibility, and unnecessary interference with market mechanisms.

"CRUDE-SHARING PROGRAM

"SEC. 277. (a)(1) The standby regulation under section 274 shall include an optional standby crude oil sharing program promulgated in accordance with this section. Should the President decide to implement a program under this part requiring the sharing of crude oil among refiners, that program shall comply with the provisions of this section.

"(2) Any notice of intent to implement a crude-sharing program under this section shall be accompanied by a declaration by the President that such program is likely to result in a significant reduction in anticipated adverse impacts of a severe petroleum supply shortage and thereby benefit consumers as a whole.

"(b) When implemented, any program under this section shall, to the maximum extent practicable—

"(1) minimize the rate of increase in the price of petroleum products during a severe petroleum supply shortage by providing reasonable access to crude oil by specified refiners;

"(2) fairly distribute the burdens of a severe petroleum supply shortage, including such a shortage resulting from an international allocation of petroleum by the United States to foreign countries under the international energy program;

"(3) minimize adverse impacts on consumers served by refiners whose supplies of crude oil have been disproportionately reduced during a severe petroleum supply shortage;

"(4) aid in the equitable distribution of crude oil, at equitable prices, among domestic refiners to the extent determined necessary by the President to effectively deliver needed refined petroleum products to consumers;

"(5) encourage the maintenance by refiners of petroleum product inventories and the acquisition by refiners of secure supplies of crude oil;

"(6) result in the availability of needed refined petroleum products to consumers; and

"(7) achieve the purposes of this part with minimum interference with market mechanisms.

"(c) The program under this section shall provide a mechanism to—

"(1) identify those refiners which will be required to sell, and those refiners which will be offered an opportunity to buy, crude oil;

"(2) determine the extent to which the program will offset the disproportionate impact of reduced supplies of crude oil on the ability of a refiner to provide needed refined petroleum products;

S. 1503—6

"(3) specify the amount of, and terms and conditions and an equitable price for, crude oil sold under the program;

"(4) decide whether any requirement that a refiner sell crude oil under the program should be reduced because such requirement is likely to create an unreasonable burden on such refiner or be otherwise inconsistent with the purposes of this part; and

"(5) assure, by certification or otherwise, that, to the maximum extent practicable, any benefits or burdens of the program for any refiner are passed on to that refiner's customers on a nondiscriminatory basis.

"GENERAL LIMITATIONS ON AUTHORITY

"SEC. 278. The President shall have no authority under this part to—

"(1) impose or implement any tax, tariff, or user fee;

"(2) prescribe minimum prices for any petroleum product; or

"(3) establish or implement a program for the assignment of rights for end-user purchases of gasoline or diesel fuel, as described in section 203(a)(1) (A) and (B) of this Act.

"LIMITATION ON AUTHORITY OVER CERTAIN INVENTORIES

"SEC. 279. (a) The President shall have no authority under this part to—

"(1) provide for the allocation of consumer petroleum inventories,

"(2) impose restrictions on the consumption of such inventories, or

"(3) consider or take into account the existence or size of such inventories in determining the amount of petroleum products to be allocated to any such consumer.

"(b) For purposes of this section—

"(1) The term 'consumer petroleum inventory' means an inventory of residual fuel oil and refined petroleum products which is—

"(A) held by and in the custody of a consumer (other than a refiner, except to the extent provided in paragraph (3)) for such consumer's own end-use consumption,

"(B) held by and in the custody of such consumer on the day before the date the President determines pursuant to section 275(a)(1)(A) that a severe petroleum supply shortage exists, and

"(C) not thereafter sold by such consumer, but only to the extent that such inventory does not exceed the inventory of residual fuel oil and refined petroleum products held by and in the custody of that consumer for its own end-use consumption on the 30th day prior to the date of that determination.

"(2) The term 'held by and in the custody of', when used with respect to an inventory, means—

"(A) any such inventory owned by the consumer and in the direct possession of the consumer, such as on the consumer's site, and

"(B) at the discretion of the President, any other inventory owned by a consumer.

S. 1503-7

"(3) The term 'end-use consumption', in the case of an inventory of residual fuel oil and refined petroleum products of any consumer which is a refiner, means—

"(A) the use by the refiner of such residual fuel oil and refined petroleum products to meet normal fuel requirements necessary for operating refinery equipment and facilities for the duration of a severe petroleum supply shortage, including an extension of 60 days under section 275(b)(1), and

"(B) at the discretion of the President, any other use by the refiner.

"(c) Notwithstanding subsection (a), the President may consider or take into account the existence or size of the consumer petroleum inventories held by a consumer in determining whether or not to increase the otherwise applicable allocation under this part to that consumer if the consumer petitions for such increase.

"(d) If any inventory which qualifies as a consumer petroleum inventory is subsequently sold by the consumer, such inventory shall be subject to the authority of the President under this part, effective as of the time of such sale.

"PREEMPTION

"SEC. 280. (a) Except as provided in subsections (b) and (c), the enactment of this part supersedes and preempts any provision of any law or regulation adopted or promulgated by a State or any political subdivision thereof to the extent that such law or regulation provides for the pricing or allocation of any petroleum product.

"(b) The President may, by rule, exempt from the operation of subsection (a) classes or categories of laws or regulations which would otherwise be preempted under subsection (a), to the extent that the President determines that such laws or regulations would—

"(1) preserve a significant State or local interest;

"(2) not unduly burden interstate commerce; and

"(3) not significantly conflict with or impede operation of this part, achievement of the purposes of this part, or achievement of the objectives of any regulation under section 274.

"(c)(1) The Governor of any State may notify the President of the Governor's intent to implement, under State law and in accordance with the requirements of this subsection, a State set-aside program for residual fuel oil or any refined petroleum product.

"(2) For purposes of this subsection, the term 'State set-aside program' means, with respect to residual fuel oil or any refined petroleum product, a program administered by the State under State law during a period in which no State set-aside program is provided for under section 275(c) with respect to that petroleum product in that State and which—

"(A) is implemented only upon a determination by the Governor that the program is required to meet a petroleum supply shortage within the State which will significantly impair essential public services or essential economic activity;

"(B) continues in effect for no more than 90 days;

"(C) authorizes the Governor to require a prime supplier of residual fuel oil or any refined petroleum product subject to the program to set aside in any month a volume of such petro-

S. 1503-8

leum product for distribution under the program which volume does not exceed 5 percent of the total supply, as estimated by such supplier, of such petroleum product which will be sold by the supplier in the State for consumption within the State in that month;

"(D) defines a prime supplier as a supplier which makes the first sale of that petroleum product subject to the State set-aside into the State distribution system for consumption within the State; and

"(E) does not unduly burden interstate commerce.

"(3)(A) The Governor shall provide the President with notice under paragraph (1), accompanied by a request for approval of the State set-aside program the Governor intends to implement, at least 10 days prior to the date on which the Governor intends to implement the program.

"(B) Within 10 days after receipt of such notice and request transmitted by the Governor, the President shall, in his discretion, either approve or disapprove such request and notify the Governor of the President's action.

"(C) To the extent that the President approves the request within such 10-day period, the program shall then be exempt from the operation of subsection (a).

"(D) If the President does not approve such request within such 10-day period, the request shall be considered disapproved and the program shall not be exempt under this subsection from the operation of subsection (a).

"(E) The President's approval of any program under this subsection may be in whole or in part; but only so much of any State set-aside program as the President approves under this paragraph may be implemented.

"(4) Notwithstanding the 90-day limitation in paragraph (2)(B), an exemption under this subsection allowing implementation of any State set-aside program may be extended if the Governor transmits a notice and request therefor to the President. For such purposes, the preceding provisions of this subsection shall apply with respect to any notice and request for such an extension as if it were for exemption for initial implementation.

"(5) Any approval or disapproval by the President of a request under paragraph (3) shall not be subject to judicial review.

"CONTRACT LIABILITY

"SEC. 281. There shall be available as a defense to any action brought for breach of contract in any Federal or State court arising out of delay or failure to provide, sell, or offer for sale or exchange any petroleum product, that such delay or failure was caused solely by compliance with the provisions of any regulation or order issued pursuant to authority granted under sections 274 and 275.

"EFFECT OF PRIOR LAW

"SEC. 282. Nothing in this part shall be construed to require that any action taken under the authority of this part, including allocation of, or the imposition of price controls on, petroleum products, be taken in a manner which would have been required under the Emergency Petroleum Allocation Act of 1973 had that Act not expired.

S. 1503—9

"ENFORCEMENT AND ADMINISTRATION

"SEC. 283. (a) Whoever violates the requirements of the standby regulation or any regulation or order issued pursuant to authority granted by this part shall be subject to a civil penalty not to exceed \$40,000 for each violation.

"(b)(1) Except as provided in paragraph (2)—

"(A) sections 205 (other than 205(b)), 206, 209, and 210 of the Economic Stabilization Act of 1970 (12 U.S.C. 1904, note) shall apply to any regulation promulgated under section 274, to any order under this part, and to any action taken by the President (or his delegate) under this part, as if such regulation had been promulgated, such order had been issued, or such action had been taken under the Economic Stabilization Act of 1970; and

"(B) sections 212 (other than 212(b)) and 213 of such Act shall apply to functions under this part to the same extent such sections would apply to functions under the Economic Stabilization Act of 1970.

"(2) The expiration of authority to issue and enforce orders and regulations under section 218 of such Act shall not affect any authority to amend and enforce the regulation or to issue and enforce any order under this part, and shall not affect any authority under sections 212 and 213 insofar as such authority is made applicable to functions under this part.

"(c) Any penalty under subsection (a) may be assessed by the court in any action brought in any appropriate United States district court. Any such penalty collected shall be deposited into the general fund of the United States Treasury as miscellaneous receipts.

"INFORMATION

"SEC. 284. For purposes of this part, the President or his delegate shall, pursuant to authority otherwise available to the President or his delegate under any other provision of law, collect information on the pricing, supply, and distribution of petroleum products at the wholesale and retail levels, on a State-by-State basis. Such information shall be substantially of the same type as was collected during September 1981 by the Energy Information Administration in connection with the Emergency Petroleum Allocation Act of 1973.

"COORDINATION WITH OTHER AUTHORITIES

"SEC. 285. Nothing in this part affects any authority under any other provision of Federal law to provide for the allocation or pricing of any petroleum product.

"DELEGATION OF PRESIDENTIAL AUTHORITIES

"SEC. 286. (a) The President may delegate all or any portion of his authority to administer any regulation promulgated under section 274 to any State (or officer thereof), as he deems appropriate.

"(b) The President may not delegate any of his authority under this part to any Federal officer or agency of the United States except to officers or agencies of the Department of Energy or of any successor thereof.

"(c) The President may not delegate authority—

S. 1503—10

"(1) to determine any severe petroleum supply shortage under section 275;

"(2) to make any declaration under section 277(a)(2) respecting a crude-sharing program; or

"(3) to approve or disapprove any request under section 280(c) regarding preemption of State set-aside programs.

"EXPIRATION

"Sec. 287. (a) All authority under this part, and any regulation or order issued pursuant to such authority, shall expire at the end of December 31, 1984.

"(b) The expiration of authority under this part, or any regulation issued pursuant to such authority, shall not affect any action or pending proceeding, administrative or judicial, not finally determined at the time of such expiration, or any action or proceeding based upon any act committed or liability incurred prior to such expiration."

(b)(1) Section 522(a)(1) of such Act (42 U.S.C. 6392(a)(1)) is amended by inserting after the term "This Act" the following: "(other than part C of title II)".

(2) Section 523(a)(2)(B) of such Act (42 U.S.C. 6393(a)(2)(B)) is amended by striking out "or II of this Act or this title" and all that follows down through "shall" and inserting in lieu thereof the following: "or II (except part C thereof) of this Act or this title (other than any provision of such titles which amend another law) shall".

(3) Section 525 of such Act (42 U.S.C. 6395) is amended by adding at the end thereof the following:

"(f) This section shall not apply with respect to any violation of section 524 based on a violation of part C of title II or any rule, regulation, or order issued under authority granted by such part."

(4) Section 526 of such Act (42 U.S.C. 6396) is amended by striking out "(other than any provision of" and inserting in lieu thereof the following: "(other than part C of title II or any provision of".

(c) The table of contents for such Act is amended by inserting after the items relating to part B of title II the following new items:

"PART C—STANDBY PETROLEUM ALLOCATION

"Sec. 271. Congressional findings.

"Sec. 272. Purposes.

"Sec. 273. Definitions.

"Sec. 274. Promulgation of regulation.

"Sec. 275. Implementation of regulation.

"Sec. 276. Administration of regulation.

"Sec. 277. Crude-sharing program.

"Sec. 278. General limitations on authority.

"Sec. 279. Limitation on authority over certain inventories.

"Sec. 280. Preemption.

"Sec. 281. Contract liability.

"Sec. 282. Effect of prior law.

"Sec. 283. Enforcement and administration.

"Sec. 284. Information.

"Sec. 285. Coordination with other authorities.

"Sec. 286. Delegation of Presidential authorities.

"Sec. 287. Expiration."

IMPACT STUDY

SEC. 3. (a)(1) The President shall analyze the impact on the domestic economy and on consumers in the United States of reliance—

S.1503-11

(A) on market allocation and pricing during a severe oil supply shortage; and

(B) on the standby program pursuant to part C of title II of the Energy Policy and Conservation Act, as amended by section 2 of this Act.

(2) Such analysis shall—

(A) examine the equity and efficiency of such reliance,

(B) distinguish between the impacts of such reliance on various categories of business (including small business) and on households of different income levels, and

(C) specify the nature and administration of monetary and fiscal policies that would be followed including emergency tax cuts, emergency block grants, and emergency supplements to income maintenance programs.

Projections must be made of the effect of the disruption on Federal tax revenues, Federal royalty payments, and State and local tax revenues.

(b) Within one year after the date of the enactment of this Act, the President shall submit a full and detailed report to the Congress containing the analysis required by subsection (a) along with such recommendations as the President deems appropriate.

OIL STORAGE TAX INCENTIVES STUDY

SEC. 4. Within six months after the date of the enactment of this Act, the President shall submit a full and detailed report to the Congress on the advisability and alternative means of—

(1) reducing the tax liability of persons who draw down oil reserves during oil supply disruptions, and

(2) providing tax or other incentives for the construction of private-sector oil storage facilities and the maintenance of increased private-sector oil reserves.

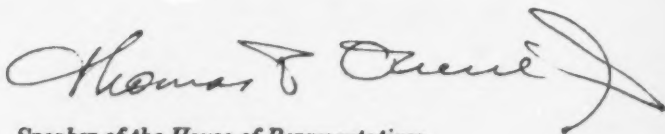
INTERNATIONAL COOPERATION STUDY

SEC. 5. Within six months after the date of the enactment of this Act, the President shall submit a full and detailed report to the Congress on the manner in which oil stockpile and demand restraint measures have been and may be coordinated among some or all allies and trading partners of the United States.

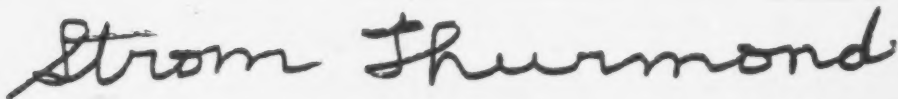
S. 1508—12

EXTENSION OF CERTAIN INTERNATIONAL ENERGY PROGRAM
AUTHORITIES

SEC. 6. Subsection (j) of section 252 of the Energy Policy and Conservation Act (42 U.S.C. 6272(j)) is amended by striking out "April 1, 1982" and inserting in lieu thereof "July 1, 1983".



Speaker of the House of Representatives.



~~Vice President of the United States and~~

President of the Senate

pro Tempore